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**WAYZATA CITY COUNCIL
MEETING MINUTES
SEPTEMBER 1, 2020**

AGENDA ITEM 1. Call to Order.

Mayor Willcox called the meeting to order at 7:00 p.m. Pursuant to Minnesota Statute Sec. 13D.015 and because of the COVID-19 pandemic, the City Council Meeting was being held remotely by electronic means using the audio and video conferencing platform, Zoom. Mayor Willcox shared the multiple options for members of the public to submit comments or questions.

AGENDA ITEM 2. Pledge of Allegiance.

AGENDA ITEM 3. Roll Call.

Council Members present: Buchanan, Koch, McCarthy, and Plechash. Also present: City Manager Dahl, Administrative Services Director Aurora Yager, City Attorney Schelzel, and Steve McDonald, Consulting Finance Director.

AGENDA ITEM 4. Approve Agenda.

Mr. Koch made a motion, seconded by Mr. Buchanan, to approve the agenda, as presented. Upon roll call vote, the motion carried 5/0.

AGENDA ITEM 5. Public Forum.

a. Presentation of Annual Update by Hennepin County Commissioner Jan Callison
County Commissioner Callison gave an update on the County related to COVID-19, Minneapolis recovery, Elections, 2021 budget and a brief review of 2009 -2020. She stated that the County has about 1/5 of the State's population, there has been a disproportionate impact from COVID-19 in terms of hospitalizations, cases and deaths. She reviewed the disparities they have found based on race and age throughout the County. She noted that the City of Wayzata has about 4,500 people, and as of August they had 70 cases and 6 fatalities related to COVID-19. She reviewed some of the areas that the CARES funding had been allocated throughout the County. She gave an overview of the small business relief program in the Wayzata area. She explained that the County moved aggressively to ensure that there was not a COVID outbreak in their shelters which involved moving 534 at risk elderly or ill people out of the shelters and into hotel spaces and shared other ways the County is helping to provide housing stability for the homeless. She shared some pictures of some of the damages that occurred in Minneapolis during the unrest that happened in May. She stated that they are currently estimating that there was about \$5,000,000 in damages and expect about \$3.4 million of that to be paid by insurance. She gave a brief overview of the 2020 election expectations as well as a preview of the 2021 County budget. She stated that their goal is to have no increase in the property tax levy which will require a \$40 million cut to their budget. She stated that there will be major unknowns as they begin to work on the budget related to COVID expenses which includes housing expenses such as the hotel rooms for the homeless population. She cautioned that the budget outlook for both 2021 and 2022 may be grim. She noted that she took office in

1 2009 and will be leaving office in 2020. She gave an overview of some of the changes and
2 differences between 2009 and 2020 during her time as a Commissioner.

3
4 b. Presentation of Annual Update by Hennepin County Sheriff Dave Hutchinson
5 Sheriff Hutchinson stated that he has been sheriff for 1.5 years and this has been a
6 challenging year. He stated that from January through August he has been busy with many
7 boating accidents and boating citations issued. He reiterated the comment made by
8 Commission Callison that the upcoming budget situation is not favorable, but explained
9 that they are not planning to cut staffing. He stated that Wayzata is getting as much
10 attention as it was before the Minneapolis unrest. He noted that the City has great
11 leadership from Chief Risvold. He stressed that regardless of what happens with the unrest
12 in Minneapolis, they will continue to serve Wayzata and their police department like they
13 always have. He stated that their goal is to make sure Minneapolis is stable and safe so the
14 whole County can benefit from a safer Minneapolis and come spend time in the City at ball
15 games or restaurants.

16 Mayor Willcox asked what spillover there may be for suburbs like Wayzata, if
17 Minneapolis is successful in defunding their police. Sheriff Hutchinson stated that the
18 Minneapolis defunding is not going to be what some of the city council members want. He
19 stated that there will be a reduction in numbers due to retirement, but eventually it will get
20 back to where it should be. He stated that he is not expecting to supplement a whole lot,
21 but if they need assistance, they will help. He stated that Minneapolis is aware that the
22 County cannot take over their policing. He stated that he believes much of what has been
23 shared have been scare tactics on both sides and he thinks that as soon as there is some
24 stable leadership in Minneapolis, things will change. He stated that if there is any spillover
25 from that situation, he doesn't think it will affect Wayzata because it is not a first-tier
26 suburb.

27 Mayor Willcox stated that closing 394 during the riots in Minneapolis was a good
28 move and asked Sheriff Hutchinson to keep that one in his hip pocket and unleash it
29 whenever necessary.

30 Mrs. McCarthy thanked Commissioner Callison and Sheriff Hutchinson for their
31 hard work. She asked Commissioner Callison about the potential \$40 million cut in the
32 budget and whether there were any anticipated cuts to the Sheriff's department which could
33 then affect all of the communities with Hennepin County. She asked what kind of financial
34 impact Commissioner Callison sees coming down to the residents from the civil unrest that
35 took place in Minneapolis.

36 Commissioner Callison stated that the County Administrator is currently
37 identifying ways that they can cut the budget by \$40 million. She stated that she suspects
38 that it will be something that will spread the pain across all the County departments. She
39 stated that she believes that Sheriff Hutchinson had wanted a larger increase in resources
40 for 2021 and will now have to scale that back. She stated that the goal, if at all possible, is
41 not to impact public service. She stated that the impact of the unrest in Minneapolis and
42 the future financial impact is being factored into their budget. She stated that if they are
43 able to keep the zero property tax levy then property taxes are unlikely to increase in 2021.
44 She stated that she thinks the area of concern will actually be 2022 if there is a wholesale
45 reduction in the valuation of properties in downtown Minneapolis in commercial properties
46 because then the tax burden will shift onto residential properties. She noted that Federal

1 and State aid will become increasingly important to try to shelter residents from some of
2 those impacts. She stated that all of these things are part of the puzzle that the County
3 Board will be working on for the next several months.

4 Mr. Koch thanked both Commissioner Callison and Sheriff Hutchinson for their
5 leadership in these tough times. He stated that he hopes that Sheriff's Hutchinson and his
6 staff know how much the City appreciates their efforts. He stated that the City knows they
7 are doing a lot of great work to keep us safe and are not the enemy. He asked Commissioner
8 Callison if she felt there would be sufficient funds from the CARES Act funding for small
9 business relief for the pending 1,400 applications. He also asked what the average dollars
10 per applicant that the County is seeing awarded.

11 Commissioner Callison stated that they do have sufficient funds for the pending
12 applicants. She stated that they may even consider taking a look at increasing what is
13 available in that pool of funds so that the County may help more small businesses. She
14 noted that of the \$220 million in Federal funds that they received, they may end up with
15 some that goes unspent.

16 Mr. Koch asked if the County was spending \$2.5 million per month on hotel rooms.
17 Commissioner Callison confirmed that was the dollar amount they are spending on housing
18 needs. Mr. Koch asked if the County had considered buying a hotel versus just renting the
19 rooms. Commissioner Callison stated that the County has talked about buying hotels but
20 noted that the process and staffing can be a challenge.

21 Police Chief Risvold stated that he has been in Wayzata for 16 years and throughout
22 that time has always enjoyed a strong relationship with the County Sheriff's office. He
23 stated that he feels this relationship is even stronger with Sheriff Hutchinson. He stated
24 that they communicate often and Sheriff Hutchinson is a passionate and compassionate
25 leader. He thanked Sheriff Hutchinson for his work to create a great relationship between
26 the City and the Sheriff's office.

27 Mayor Willcox stated that he has heard that, in spite of all the challenges facing the
28 department right now, morale at the Sheriff's office is sky high. He commended Sheriff
29 Hutchinson for his leadership in this area. He expressed his appreciation to Commissioner
30 Callison for her years of service to the County as well as her extensive work in the area
31 when she served on the council and as mayor in the City of Minnetonka. He noted how
32 helpful Commissioner Callison has been to the City in various projects around the area and
33 thanked her for her public service to the community.

34
35 **AGENDA ITEM 6. New Agenda Items.**

36 There were no items requested.

37
38 **AGENDA ITEM 7. Consent Agenda.**

39 Mayor Willcox read the items on the consent agenda and asked if any Council member
40 wished to pull an item for further discussion. Hearing no such request, he asked for a
41 motion to approve the Consent Agenda as presented. Mr. Buchanan made a motion,
42 seconded by Mrs. McCarthy, to approve the consent agenda:

- 43 a. Approval of City Council Workshop and Regular Meeting Minutes of August 18,
44 2020
- 45 b. Approval of Check Register
- 46 c. Approval of Municipal Licenses

- 1 d. Approval of Appointments of the Zoning Study Task Force Members
- 2 e. Approval of 2021 Fire Protection Agreement with City of Woodland

3
4 Mr. Plechash stated that item d. includes appointments to the Zoning Study Task Force and
5 two of the councilmembers are on that list. He asked City Attorney Schelzel if it was
6 acceptable for the Council to be voting on appointment of two of their members to the task
7 force. City Attorney Schelzel stated that is acceptable.

8 Upon roll call vote, the motion carried 5/0.

9
10 **AGENDA ITEM 8. New Business.**

11 **a. Consider Adoption of Resolution 36-2020 Approving 2021 Preliminary**
12 **General Fund Budget and Property Tax Levy**

13 City Manager Dahl explained that Aurora Yager, Administrative Services Director and
14 Steve McDonald, Finance Director, will walk the Council through the preliminary budget
15 and the action that is needed tonight.

16 Administrative Services Director Yager presented the 2021 preliminary General
17 Fund budget. She noted that a preliminary budget and property tax levy is required to be
18 turned into the County auditor by September 30, 2020. She noted that they will be looking
19 for final approval of the budgets later in December. She noted that the preliminary budget
20 and levy sets the maximum amount and can be decreased, but not increased. She reviewed
21 the goals that went into putting together the 2021 preliminary budget. She stated that the
22 2021 preliminary budget shows a 2.9% increase in the General Fund levy but when
23 accounting for the debt service levy as well, it resulted in a total City tax levy increase of
24 about 2.46%.

25 Finance Director Steve McDonald gave an overview of the history of the levy
26 increases, tax rates and taxes on value. He reviewed a summary of the revenues for 2021
27 as compared to 2020.

28 Ms. Yager stated that for the General Fund in 2021 they are assuming mostly flat
29 or slightly decreased revenue sources with the exception of the tax levy due to the impact
30 of COVID-19. She stated that the major differences in the expenditure side is that overall
31 costs for cost of living as well as health insurance accounts for the majority of the increase.
32 She stated that the City has also seen an increase in their general liability and worker's
33 compensation insurance. She noted that the Council had also advised them to increase
34 their contingency budget to allow for additional flexibility in 2021 should there be any
35 unanticipated costs as part of COVID-19.

36 Mr. Koch stated that the City had talked about giving relief to businesses in town,
37 such as restaurants, with their liquor license fees and allowing outdoor patio permits. He
38 stated that there was a small decrease in the 2021 budget in these areas but asked if the City
39 should be considering anything else in the 2021 to give further breaks to the businesses.
40 He asked if the Council would be figuring out a way to address this same issue for the
41 remainder of 2020.

42 Ms. Yager stated that she believes that at the next Council workshop there is a
43 planned discussion about potential business grants and things of that nature for 2020. She
44 stated that regarding 2021, they are assuming, as part of the decrease in some of the license
45 revenue, that there are some businesses that may not survive because of COVID-19. She

1 stated that the City had not created a grant program that extends in 2021 yet, so the revenue
2 budget doesn't assume anything like that.

3 Mr. Dahl stated that if this is a priority for the Council, this is something that could
4 be explored with some of their excess funds.

5 Mayor Willcox asked for a motion on the draft resolution. Mr. Plechash made a
6 motion, seconded by Mr. Koch, to Adopt Resolution No. 36-2020 Approving 2021
7 Preliminary General Fund Budget and Property Tax Levy. Upon roll call vote, the motion
8 carried 5/0.

9
10 **b. Consider Adoption of Resolution 37-2020 Adopting the 2021 Fee Schedule**

11 Ms. Yager explained that in general, staff has assumed about a 5% increase across the
12 board with a few exceptions. She stated that there was a utility rate study that was
13 completed in 2018 that recommended a series of increases through 2022 to return the
14 Enterprise Funds back to a healthy fund balance. She explained that for 2021 they are
15 proposing an increase to water of 7%, sewer of 12% and stormwater of 5%.

16 Mayor Willcox asked if anyone on the Council had heard any complaints about any
17 of the City fees and noted that he had not heard complaints.

18 Mr. Plechash stated that our fees are going up at a higher percent than the levy. He
19 stated that for water, he feels it is worth noting that even though the City is raising the fee
20 by 7% it is more a result of the fact that the City has been successful in conservation efforts
21 and therefore using less water, but will be charging more for it. He asked if staff could
22 address this issue.

23 Ms. Yager noted that many times as rates increase, consumption goes down, so part
24 of the increase is to make sure the City can still maintain the necessary infrastructure over
25 the long term as well as pay for staff.

26 Mr. Plechash thanked Ms. Yager for her response and noted that he just wanted it
27 to be put on the record that it is a bit of a Catch 22 that the City is encouraging frugality in
28 water consumption and yet the outcome is that the City is charging more.

29 Mr. Dahl stated that long-term, it is still best to conserve water.

30 Mayor Willcox asked what drove the 12% increase for the sewer rate. Ms. Yager
31 stated that she believes it is related to fees that the City pays to Met Council so the City
32 does not have total control over some of its sewer costs.

33 Mr. Koch stated that he is in favor of this proposed fee schedule. He stated that he
34 doesn't want to get in the habit of just continuing with 5% increases every year. He stated
35 that he thinks the City needed to get to a point where it was caught up from not raising fees
36 for so many years and that should be taken into consideration. He stated that he thinks the
37 Council should consider itself pretty well caught up and attempt to hold the line on future
38 increases and not just get in the habit of raising in 5% every year.

39 Mayor Willcox asked about the roll back of fees and licenses for businesses due to
40 COVID-19 and asked if they would be reimplemented for 2021. Mr. Dahl stated that the
41 City has not rolled back the liquor licenses for 2020 yet, but it will be discussed at the next
42 Council meeting. He stated that for 2021, the City still has a lesser number, but still shows
43 revenue coming in from liquor licenses and those types of businesses. He stated that he
44 believes there are other ways this can be offset and offer some relief, but they are not
45 shown.

1 Mayor Willcox asked for a motion on the application. Mr. Plechash made a motion,
2 seconded by Mr. Buchanan, to Adopt Resolution No 37-2020 Adopting the 2021 Fee
3 Schedule. Upon roll call vote, the motion carried 5/0.
4

5 **AGENDA ITEM 9. City Manager's Report and Discussion Items.**

6 **a. Upcoming Events/Announcements**

- 7 • The City is planning on cancelling the Night to Unite festivities and the other
8 ancillary events associated with the event.
- 9 • Reminder that there will be advertisements coming out over the next few months
10 regarding openings on City Boards and Commissions.
- 11 • The Panoway project is nearing completion, which means Lake Street, sidewalks
12 and park plaza will be opening.
- 13 • Civitas was just awarded a highly prestigious Waterfront Center Award for best
14 design for Panoway.
- 15 • Reminded the Council that this coming week will be an emotional week for the
16 community because on August 31, 1982, Sargent J.W. Anderson was killed and
17 September 8, 2017 Officer Bill Matthews was killed a motorist on Highway 12.
- 18 • Absentee voting will begin September 18, 2020 and the Election Day will be
19 November 3, 2020. He stated that they are working with County officials to have
20 some sort of secure drop box where people can limit their in-person interaction and
21 not have to worry about the ballots getting lost in transit. He noted that he will
22 share more details in the next few weeks.

23
24 **b. Council Member Updates/Announcements**

25 Mayor Willcox stated that the Chamber of Commerce has selected Paul Engelman from
26 the UPS Store as its Person of the Year. He stated that the artist/sculptor Siah Armajani
27 passed away last week. He noted that Mr. Armajani is world renowned for his artistry, but
28 also designed the City's "pocket park" that is near the post office.
29

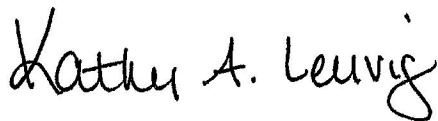
30 **AGENDA ITEM 11. Public Forum Continued (if necessary).**

31 There were no comments.
32

33 **AGENDA ITEM 12. Adjournment.**

34 There being no further business, Mayor Willcox asked for a motion to adjourn. Mrs.
35 McCarthy made a motion, seconded by Mr. Plechash to adjourn. Upon roll call vote,
36 Mayor Willcox adjourned the meeting at 8:27 p.m.
37

38 Respectfully submitted,
39
40



41 Kathy Leervig
42 City Clerk
43
44

- 1 Drafted by Kayla Atkins Rokosz
- 2 *TimeSaver Off Site Secretarial, Inc.*